## TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE Transcriber's Office FLOOR DEBATE

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evidence that this process in general has a net effect of increasing costs to retailers involved in the process. These costs are involved in several different areas. Several of these costs were clearly spelled out in a study done by the state of Pennsylvania by the Food Marketing Institute and several other organizations in February of last year. This is the most recent study of its kind. The costs found in the study were about 6 cents a transaction and included the increased time an EBT transaction takes over the food stamp transactions. increased the cost of manpower, costs of time when the system is down and manual vouchers must be used. A manual voucher, I might explain to you, is a form you have to fill out with your PIN number on it, and it's a long process. That's why we're going to the EBT. The cost of the increased float time, since the current food stamps are not treated as cash and under the new system accounts might not be credited up for two days. That means you'll have a float time in between, for up to two days, before your accounts are credited with the money. Other costs that might be considered are the actual operation maintenance of that equipment. Let me start by explaining that there are several ways that the food stamp benefits can be conveyed through the electronic benefit transfer. When I said before that the beneficiary simply has their card swiped at the store through a machine, there are essentially two machines the The retailer can sometimes use their own retailer can use. equipment that they already have in place for credit card transactions and reprogram so that they can connect with the proper EBT database. The other option is for the retailer to take the equipment provided by the state for transaction. First, let me talk about the state provided equipment option. The United States Department of Agriculture has set out guidelines as to which retailers have enough sales to entitle them to have a machine for EBT and then how many machines the retailer would receive. In order to receive a machine under the current standards, a retailer must do at least \$100 worth of sales a month, that is of...of recipients If they don't have at least \$100 worth of sales, then they would have to use what I talked about before was the manual transactions. Next there is a table of how many machines you receive based on the number of dollars in food stamp transactions you have. The more sales the retailer has, the